REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Tyler Dos Santos-Tam, Chair; Scott Y. Nishimoto, Vice Chair;
Radiant Cordero, Esther Kiaʻāina, Matt Weyer

Committee Meeting Held
May 27, 2025

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 11 (2025), CD1 entitled:

"A BILL FOR AN ORDINANCE RELATING TO ELECTRONIC AMUSEMENT DEVICES,"

which passed second reading and was the subject of a public hearing at the March 19, 2025 Council meeting, reports as follows:

The purpose of the bill is to provide for the strict regulation of electronic amusement devices to protect public health, safety, and welfare.

Your Committee considered and approved a proposed posted CD2 version that makes the following amendments:

A. Amends the findings portion of SECTION 1 of the bill to distinguish between lawful video amusement devices and unlawful gambling video amusement devices.

B. Amends SECTION 2 of the bill by amending the proposed ROH Section 34-__.1 as follows:

1. Clarifies the definition of "Available to the Public."

2. Adds "Police Chief" as an alternate term for "Chief of Police" as both terms are used throughout the bill.

3. Removes the defined term "Law Enforcement Officer."

ADOPTED ON JUN 4 2025

COMMITTEE REPORT NO. 192

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C. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 11 (2025), CD1, as amended herein, and recommends that it pass third reading, in the form attached hereto as Bill 11 (2025), CD2. (Ayes: Cordero, Dos Santos-Tam, Kia'āina, Nishimoto, Weyer – 5; Noes: None.)

Respectfully submitted,

Committee Chair

At the 6/4/25 Council meeting, the Bill was further amended and subsequently passed Third Reading as Bill 11 (2025), CD2, FD1.

ADOPTED ON JUN 4 2025

COMMITTEE REPORT NO. 192

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **11 (2025), CD2**

A BILL FOR AN ORDINANCE

RELATING TO ELECTRONIC AMUSEMENT DEVICES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Findings and purpose. The City Council ("Council") finds that video amusement devices have the potential to create adverse neighborhood impacts such as criminal activity, vandalism, litter, noise, and traffic congestion. The Council also finds lawful video amusement devices could be used to conceal unlawful gambling video amusement devices. The Council also finds that it is the responsibility of operators to ensure that unlawful gambling is not occurring at locations under their control. The purpose of this ordinance is to provide for the strict regulation of electronic amusement devices to protect public health, safety, and welfare.

SECTION 2. Chapter 34, Revised Ordinances of Honolulu 2021 ("Regulation of Businesses"), is amended by adding a new article to be appropriately designated by the Revisor of Ordinances and to read as follows:

"ARTICLE __: ELECTRONIC AMUSEMENT DEVICES

§ 34-__.1 Definitions.

For the purposes of this article, the following definitions apply unless the context clearly indicates or requires a different meaning:

Available to the Public. Open to an individual granted entry or admission to physically enter a premises or participate in an activity.

Chief of Police or Police Chief. The chief of police of the Honolulu police department or the police chief's designee.

Department. The Honolulu police department.

Electronic Amusement Device. Any electronic amusement device, including mechanical devices or video amusement devices, requiring the insertion of money, tokens, credits, or other valuable consideration.

Gambling. Has the same definition as defined in HRS § 712-1220.

Location. Any business establishment, public or private club, association, or any other site where a video amusement device is displayed or operated for use or play.

Mechanical Amusement Device. A non-digital electronic amusement device involving mechanical or manual play mechanisms. Mechanical amusement devices include but are not limited to games such as pinball, mechanical grab machines, and pool tables.

Operator. Any person in substantial proprietary control or other authoritative control over the location.

Person. Has the same meaning as defined in § 1-4.1.

Premises. Has the same meaning as defined in HRS § 708-800.

Property. Has the same meaning as defined in HRS § 708-800.

Video Amusement Device. A digital electronic amusement device that offers video or graphic-based gameplay through electronic or digital means. Video amusement devices include but are not limited to video games, virtual reality simulators, and dance or motion games. Video amusement device excludes music devices and vending machines.

§ 34-__.2 Permits required.

(a) It shall be unlawful for any person to display or operate for use or play any video amusement device in locations available to the public, unless the required permits have been obtained, and the use or operation of the video amusement device complies with all applicable provisions of this article.

(b) Other electronic amusement devices, including mechanical amusement devices, shall not require permits.

§ 34-__.3 Permit types—Validity.

(a) *Annual.* Annual video amusement device permits are valid for the calendar year of issue, and expire on December 31 of that year.

(b) *Initial.* Operators shall apply for video amusement device permits within 30 days of the effective date of this article, with the validity of the initial permits expiring on December 31 of that year.

§ 34-__.4 Permit—Application, issuance, denial.

(a) *Application.* Applications for video amusement device permits must be made to the department, on forms provided by the department. The applicant must provide all requested information on the form, including: the location of the real property identified by address and a tax map key parcel number; the name of the owner of the video amusement devices; the name of the permit applicant; and the make, model, and serial number of all video amusement devices to be operated at a location. Additional applications may be made to add video amusement devices to a location.

(b) *Issuance.* The chief of police may issue a video amusement device permit after the applicant's completion of the application form and following an investigation of the applicant and the location.

(c) *Denial.* The chief of police may deny a permit application if:

(1) The applicant fails to provide any of the information requested on the application;

(2) Any statement in the application is found to be false; or

(3) In the chief's opinion, after investigation of the proposed location, the proposed location would be reasonably likely to result in an increase in criminal activity, vandalism, litter, noise, or traffic congestion.

An applicant may appeal the denial of a video amusement device permit by filing a written notice of appeal as provided in § 34-__.13.

§ 34-__.5 Conditions of permit holders.

Any person issued a video amusement device permit shall supervise the use and operation of the video amusement device to prevent its use or operation for any purpose contrary to the provisions of this article or any other applicable city, State, or federal law or requirement.

A BILL FOR AN ORDINANCE

§ 34-__.6 Permits—General provisions.

(a) *Required information.* All permits must contain information regarding the permittee's identity.

(b) *Permit display.*

(1) All video amusement device permits issued pursuant to this article must be:

(A) Displayed so as to be visible to the public at all times such device is in a location available to the public; or

(B) Visible to the public in the same location as the permitted video amusement device.

(2) The entire video amusement device permit must be visible.

(3) The permit must be displayed at all times that a video amusement device is available for display or operation.

(c) *Permit location not transferable.* Video amusement device permits allow the operation of a video amusement device at the location specified in the application and is not transferrable.

(d) *Permits not transferable.* Video amusement device permits are not transferable.

(e) *Applicability of other laws and requirements.* Nothing in this article may be construed to lessen or abrogate any city, State, or federal law or requirement.

§ 34-__.7 Inspection of video amusement devices, records, and location.

(a) Any person issued a video amusement device permit under this article, or operator in which a permitted video amusement device is located, must allow a police officer, or any other authorized city officer or employee, to enter the location for the limited purposes of inspecting records, video amusement devices, and premises regulated under this article to ensure compliance with this article.

(b) Inspections may only be conducted during the normal business hours of the location or at any time the devices are made available to the public.

(c) Failure to allow an inspection will be grounds for suspension or revocation of a video amusement device permit.

§ 34-__.8 Prohibited conduct.

A person who has been issued a video amusement device permit or who is in control of a video amusement device may not display an expired permit.

§ 34-__.9 Permit suspension or revocation.

(a) The chief of police may suspend or revoke any video amusement device permit upon finding reasonable grounds to believe, based upon an investigation, that:

(1) Cause exists that would otherwise be grounds for the denial of the permit;

(2) An intentional or knowing violation by the permittee of any provision of this article has occurred; or

(3) Any violation by any person of any city, State, or federal law or requirement has occurred relating to gambling while using, operating, or playing any permitted video amusement device.

(b) A suspension or revocation of a video amusement device permit will not become effective until the permittee is served with written notice of the suspension or revocation, the reasons therefor, and the limited right of appeal pursuant to § 34-__.13, either personally or by delivery or posting of the notice at the location of the involved video amusement device or business. The suspension or revocation may be appealed by filing a written notice of appeal as provided in § 34-__.13.

§ 34-__.10 Forfeiture.

Property used in violation of this article shall be authorized to be seized and forfeited pursuant to HRS Chapter 712A.

A BILL FOR AN ORDINANCE

§ 34-__.11 Enforcement—Implementation.

(a) The chief of police is authorized to enforce all the provisions of this chapter.

(b) The chief of police is authorized to issue a corrective warning to any operator to comply with all provisions of this article.

(c) The chief of police may adopt procedures and forms necessary to implement the provisions of this chapter.

§ 34-__.12 Penalties.

(a) Any person who violates intentionally or knowingly violates any provision of this article or any condition of a video amusement device permit at a location operating five or fewer video amusement devices will be guilty of a violation.

(b) Any person who violates intentionally or knowingly violates any provision of this article or any condition of a video amusement device permit at a location operating 20 or fewer video amusement devices will be guilty of a petty misdemeanor.

(c) Any person who violates intentionally or knowingly violates any provision of this article or any condition of a video amusement device permit at a location operating 20 or more video amusement devices will be guilty of a misdemeanor.

§ 34-__.13 Appeals.

(a) Any person aggrieved by the police chief's decision to deny, revoke, or suspend a permit may file an appeal.

(b) The notice of appeal must be filed with the chief of police within 10 days of receiving the notice of the decision. The notice of appeal must state the name and address of the appellant to which all required notices should be mailed. The notice of appeal shall also indicate the reasons why the appealed action was wrong and what the correct determination should be.

(c) The appeal will be subject to the contested case procedures of HRS Chapter 91 and heard by a hearings officer appointed by the chief of police. The chief of police shall appoint as the hearing officer a city executive branch officer or employee who did not participate in the appealed decision.

§ 34-__.14 Rules.

The chief of police may adopt rules pursuant to HRS Chapter 91 for the implementation, administration, and enforcement of this article.

§ 34-__.15 Conflict with State law.

Nothing in this article is intended to conflict with the provisions of State law concerning gambling, gambling devices, or lotteries. In the event of direct and express conflict between this article and State law, the provisions of State law control."

A BILL FOR AN ORDINANCE

SECTION 3. This ordinance takes effect upon its approval.

INTRODUCED BY:

Andria Tupola

Tyler Dos Santos-Tam

DATE OF INTRODUCTION:

January 29, 2025
Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Electronic Amusement Devices; Regulation of Business; Property Owners; Property Managers; Violation; Civil Penalties; Criminal Penalties; Rulemaking Authority; Honolulu Police Department ("HPD")

Description:
Creates a regulatory system of permits for the display and use of electronic amusement devices. Designates the Chief of Police of the HPD, or the chief's designee, as the official responsible for the issuance of the electronic amusement device permits. Provides the Chief of Police of the HPD with rulemaking authority. Establishes penalties for non-compliance.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.